

DEPARTMENT OF WORKFORCE DEVELOPMENT
DIVISION OF WORKFORCE SOLUTIONS
ADMINISTRATOR'S MEMO SERIES

NOTICE 03-23

ISSUE DATE: 11/05/2003
DISPOSAL DATE: 12/31/2005

RE: UPDATED ALLOCATIONS
FOR 2004-05 W-2 AND
RELATED PROGRAMS
CONTRACT

To: W-2 Agency Directors

From: Bettie A. Rodgers /s/
Division Administrator

PURPOSE

To communicate the additional funding allocated to the 2004-2005 W-2 and Related Programs Contracts.

Department of Workforce Development (DWD) Secretary Roberta Gassman has announced increased allocations for each of the W-2 geographic areas for 2004-2005 W-2 & Related Programs. The resources added are as follows:

Services	\$ 1,077,991
Benefits	\$ 13,233,677
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	\$ 14,311,688

The additional funds had originally been reserved for the transitional jobs program. The Department has decided to begin transitional jobs on a Phase I demonstration basis, evaluating the implementation of it in two counties. Given the Phase I plan, funds previously reserved for a statewide transitional jobs effort are being directed back to the W-2 program.

All W-2 agencies will receive additional funding for benefits and services.

ALLOCATION AMOUNTS

The Department retained the weighted caseload formula first applied to preliminary allocations in May 2003 and then updated on August 4, 2003, to reflect the final budget amounts, a change in the weighting of Medical Assistance/Food Stamps/Child Care cases, and the most recent caseload data at that time.

The allocation methodology for the additional funds preserves the same formula for the funding that DWD announced in August, as well as the additional dollars directed to W-2 agencies. The allocation for administration will be frozen at amounts published on August 4, 2003. The caseload data used in the formula (July 2002 through June 2003) remains the same for funding previously allocated. This was done to preserve the amounts for each geographic area—the Department knows that local officials have in some cases already begun budget and program planning based on these funding assumptions. The latest caseload data was used in the formula (October 2002 through September 2003) for the additional funds. This was intended to ensure that the additional funds reflect the most recent statewide caseload trends.

The actual dollar amounts for administration will remain the same even though there will be a slight reduction when expressed as a percentage of the contract. This will translate into slightly less than 15% of the total contract for “balance of state” administration and slightly less than 12% for the Milwaukee regions. This is also intended to maintain consistency for those agencies already engaged in planning and development of local budgets.

A total of 38 geographic areas have formed 13 consortia, and the Department has preserved the previously announced Consortium Incentive funding of \$2.9 million for this purpose.

The Department has also established a Milwaukee Administrative Reduction Allocation from the reduction of allowable administrative costs in Milwaukee from the historical 15% to 12%; this reduction in administrative funding, amounting to \$6.1 million, will be applied to and taken from the Milwaukee administrative allocation to establish flexible capacity for meeting unforeseen program needs.

New allocations by specific geographic area are shown on the attached table.

Details about the allocations and methodology are provided at <http://www.dwd.state.wi.us/dws/w2/contracts/20042005/appendices.htm>.

CONTRACTS

The W-2 and Related Programs Contracts for 2004-2005 were issued with these new contract amounts.

CONTACT FOR QUESTIONS

If you have any questions about this memo, please contact Jacquie Piraino at 608-266-3804 or jacquie.piraino@dwd.state.wi.us.

REGIONAL OFFICE CONTACT: Area Administrator (Department’s Contract Manager)

Attachment